Funds to Bihar for Plan Expenditure

7161. SHRI KAMLA MISHRA MADHKAR: Will the Minister of FINANCE be pleased to state:

(a) whether the Government of Bihar have urged upon the Union Government not to deduct the outstanding amount against the Government of Bihar from the funds to be released for plan expediture to Bihar for 1991-92 and

(b) if so, the reaction of the Union Government thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHANTARAM POTIDUKHE): (a) and(b). The Chief Minister of Bihar, in his letter dated September 17, 1990 addressed to the former Finance Minister had, inter alia pointed out that it was not desirable to deduct from the Central assistance due to the State, amounts due from the Bihar State Electricity Board to certain Central Undertakings and had also specifically requested that such deductions should not be made in the Central assistance due to the State in the months of September and October, 1990. These suggestions could not be accepted as the various factors brought out by the State government had already been taken into account before taking a decision in the matter. No request has been received from the State Government against making such deductions in the current year (1991-92).

[*English*]

Collection of Outstanding Amount From Sick Units

7162. SHRI BH. VIJAYA KUMAR RAJU: Will the Minister of FINANCE be pleased to state the action the Government proposes to take for collection of huge outstanding amounts from the sick small scale industrial Units?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): To facilitate collection of outstanding amounts from the sick small scale industrial units, the following action is being taken by financial instituitions and banks;

(i) In the case of potentially viable units rehabilitation packages are evolved under which dues of banks and financial institutions are being recovered in a phased manner. (ii) In the case of units which are non-viabie and cannot be rehabilitated (a) institutions and banks initiate legal action through issue of recall notices against the borrower for recovery of the outstanding amount of action adopted by banks institutions include filing of suit, sale of stock, entering into companies proposal for one time settlement, etc. Application is made to the courts for sale of the security for the loan and for enforcing the liability of surety, if any; (b) Under Section 29 of State Financial Corporations Act.1951, the SPCs have the right to take over the management or possession or both of the industrial concerns in default. They also have the right to transfer by way of lease or sale and realise the property pledged, mortgaged, hypothecated or assigned to the SFCs. Further , under Section 32G of the SFCs Act;they can make an application to the State government for recovery of the amount due to them and if the State Government is satisfied it may issue a certificate for the amount to the Collector who shall proceed tp recover that amount in the same manner as an arrear of land revenue (c) SFCs have constituted Default Review Committees at their Head Offices & 'Regional/Branch Offices for review of the cases of defaulting units in their portfolio and arrive at negotiated settlements with the borrowers.